

EXHIBIT A

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF MASSACHUSETTS

No. 04-11109 RGS

LEXINGTON INSURANCE COMPANY and NATIONAL UNION FIRE
INSURANCE COMPANY OF PITTSBURGH, PA,

VIRGINIA SURETY COMPANY, INC.,

Plaintiffs

vs.

VIRGINIA SURETY COMPANY, INC.,

Defendants

RULE 30(b)(6) DEPOSITION OF LEXINGTON INSURANCE COMPANY
BY AND THROUGH WILLIAM R. EDDOWS, ESQUIRE

Thursday, June 8, 2006 10:05 a.m

Mintz Levin

One Financial Center, Boston, MA 02111

Reporter: Janet M. Konarski, RMR, CRR

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1 A. It was.

2 Q. Do you know as the master policies issued
3 there were ever any other changes made to the forms?

4 A. I don't.

5 Q. Was the master policy negotiated with
6 anybody? In other words, was it the result of any
7 negotiation or was it simply the form that was
8 submitted by Lexington and NUFIC?

9 A. Well, I'm sure at some point there was
10 negotiation and agreement on the policy form.

11 Q. And that would have been the wholesale
12 broker and Mr. Massery, presumably?

13 A. And perhaps individual insureds, as well.

14 Q. It says, "Three various unrelated entities
15 were scheduled to the policy endorsement." That is the
16 Endorsement No. 1 we talked about earlier?

17 A. That's correct.

18 Q. "We invoiced the broker, First Capital
19 Group, for the total premium." So, Lexington would
20 submit an invoice for premium to the wholesale broker?

21 A. Yes. They would add up all of the premium
22 for all of the individual insureds and send one total
23 bill to First Capital.

24 Q. And it says, "First Capital, who was

1 acting as a wholesaler, was responsible for invoicing
2 NPS, the risk purchasing group, for the total premium."
3 So, then if I understand this correctly, First Capital
4 would take your invoice and turn around and submit an
5 invoice to NPS?

6 A. Correct.

7 Q. And then it says, "It was NPS's
8 responsibility to invoice each individual insured for
9 their portion of the premium and send us a check for
10 the total policy premium." Is that right?

11 A. That is what this says.

12 Q. What is a risk purchasing group?

13 A. I'm not sure.

14 Q. Do you know whether this structure of the
15 program was in place from the beginning? In other
16 words, was this the negotiated structure at the time of
17 the issuance of the first policy under the program?

18 A. This would be my understanding.

19 Q. So, if I understand this correctly, the
20 premiums would be paid by the policyholders to NPS.
21 Correct?

22 A. Correct.

23 Q. And NPS is in New Jersey?

24 A. I believe so.